

**FEMA**

February 18, 2025

Neil Thompson  
Deputy Assistant Director  
New York City Office of Management and Budget  
255 Greenwich Street, 8<sup>th</sup> Floor  
New York, NY 10007

Re: Remedy for Noncompliance Letter, Shelter and Services Program (SSP)

Grant Number: EMW-2023-SP-05027

Period of Performance: 03/01/2023 – 09/30/2025 Award amount: \$106,879,743.00

Grant Number: EMW-2024-SP-05018

Period of Performance: 10/01/2023 – 09/30/2026 Award amount: \$59,302,125.07

Grant Number: EMW-2024-SP-05125

Period of Performance: 10/01/2023 – 09/30/2026 Award amount: \$22,169,838.00

Dear Mr. Thompson:

The purpose of this letter is to notify you that DHS/FEMA is temporarily withholding payments to your organization for the grant award(s) named above, pursuant to 2 C.F.R. § 200.339(a); has recovered two payments completed via direct deposit on February 4, 2025, totaling \$80,481,861.42, and which constitutes a part of this temporary withholding; and is instituting specific conditions on your award pursuant to 2 C.F.R. § 200.208.

### **Findings**

The Department of Homeland Security has significant concerns that SSP funding is going to entities engaged in or facilitating illegal activities.

For example, a substantial portion of your award goes to funding alien housing at the Roosevelt Hotel in New York City. According to media reports, the vicious Venezuelan gang Tren De Aragua has taken over the hotel and is using it as a recruiting center and base of operations to plan a variety of crimes.<sup>1</sup> According to these same reports, these crimes include gun and drug sales as well as sex trafficking, which can reasonably be presumed to be conducted in the hotel itself. One of the groups

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<sup>1</sup> <https://nypost.com/2024/10/17/us-news/nyc-migrant-hotels-violent-gang-rep-is-all-over-tiktok-say-fed-up-residents-who-worry-its-only-gonna-get-worse/>; [NYPD says migrant children behind several violent crimes near Times Square - ABC7 New York](#).

responsible for these activities refer to themselves as “diablos de la 42,” which means the devils of 42nd St., a street near where the Roosevelt Hotel is located. DHS/FEMA has a responsibility to ensure that it does not make payments that fund criminal activity.

In addition to the crimes mentioned above, the Department is concerned that entities receiving payment under this program may be guilty of encouraging or inducing an alien to come to, enter, or reside in the United States in violation of law, 8 U.S.C. § 1324(a)(1)(A)(iv); transporting or moving illegal aliens, *id.* § 1324(a)(1)(A)(ii); harboring, concealing, or shielding from detection illegal aliens, *id.* § 1324(a)(1)(A)(iii); or applicable conspiracy, aiding or abetting, or attempt liability respecting these statutes.

DHS/FEMA is required to administer its grant awards so as to ensure that federal funding is expended and associated programs are implemented in full accordance with the U.S. Constitution, applicable federal statutes, and regulations. 2 C.F.R. § 200.300(a). The terms and conditions of the award allow the Department to institute appropriate remedies for noncompliance which include temporarily withholding payments or suspending or terminating the award for a failure to comply with the conditions of the award or applicable federal statutes. See 2 C.F.R. §§ 200.208; 200.340; and 200.339(a).

#### **Remedy Action(s) and Specific Condition(s)**

Non-federal entities receiving financial assistance from DHS/FEMA are required to comply with requirements in the terms and conditions of their awards or subawards, including the terms set forth in applicable federal statutes, regulations, NOFOs, and policies. Throughout the award lifecycle or even after an award has been closed, DHS/FEMA may discover potential or actual noncompliance on the part of a recipient or subrecipient. This potential or actual noncompliance may be discovered through routine monitoring, audits, closeout, or reporting from various sources. In the case of any potential or actual noncompliance, DHS/FEMA may place special conditions on an award per 2 C.F.R. § 200.208 and § 200.339, DHS/FEMA may place a hold on funds until the matter is corrected, or additional information is provided per 2 C.F.R. § 200.339, or it may do both.

Based on the concerns described above, DHS/FEMA will conduct additional monitoring and review of your award(s) as permitted by the terms and conditions of the award(s) to ensure compliance with all terms and conditions of your award(s). During this time, payments under the grant award(s) will be temporarily held. This action includes the amount of funding identified above that DHS/FEMA recently clawed back. Further, you are not permitted to incur any additional costs under the grant until notified further by DHS/FEMA.

To assist DHS/FEMA in conducting this review, please respond within 30 days with the following information that your organization has not already submitted to DHS/FEMA:

1. All documents regarding the aliens with whom your organization and your subrecipients and contracts interacted with in carrying out the scope of your SSP award, including their names and contact information; and a detailed and descriptive list of specific services provided, and proof of provision of these services; or
2. A written statement that your organization has already submitted all of the information identified in No. 1, above, to DHS/FEMA.

Upon the conclusion of that monitoring, FEMA will notify you of the results and any other remedies for noncompliance or specific conditions, as appropriate.

**Opportunity to Appeal**

Your organization has the right to appeal this action within 60 days of the date of this letter. The appeal must include the following information:

1. Grant number(s).
2. Recipient name.
3. A written explanation, on your organization's letterhead, explaining why you believe FEMA's decision to temporarily withhold payments to your organization for the grant award(s) named above, pursuant to 2 C.F.R. § 200.339(a), or to prohibit your organization from incurring additional costs under the grant, is not correct.
4. Copies of any documents or statements that support your position that FEMA's decision to temporarily withhold payments to your organization for the grant award(s) named above, pursuant to 2 C.F.R. § 200.339(a) is not correct.

Written appeals should be sent directly to FEMA-SSP@fema.dhs.gov.

The FEMA Grant Programs Directorate is available to respond to any questions you may have. Please send all information and communications regarding this notification to FEMA-SSP@fema.dhs.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cameron Hamilton", is written over a light blue horizontal line.

Cameron Hamilton  
Senior Official Performing the Duties of the  
Administrator